

PG

Patrick Gallagher

1:48 PM

61.6% Increase

Good afternoon,

Those who are not CMH-based probably did not receive the below, but might have heard that there is informational picketing taking place in front of Bridgeway today.

Despite the good faith efforts being made by the company during this Interest-Based Bargaining (IBB) process, our pilots' union leadership continues to run its playbook. It started with billboards in Columbus at the outset of negotiations and quickly moved to press releases, social media and newspaper ads about how our pilots are overworked and underpaid and how NetJets is no longer competitive. From there it moved to picketing in Palm Beach over President's Day, in Augusta during the Masters, there is picketing today at HQ and we understand there are plans for picketing in Omaha a couple of weeks from now during the Berkshire shareholders' meeting.

Our Owners are paying little attention as I have shared with you before, but as the rhetoric escalates, irrespective of what is actually happening in the negotiations, the next step in the playbook typically involves some assertions that NetJets is putting safety at risk. Those assertions aren't being made today, but as negotiations heat up, safety always seems to come into question, potentially followed by personal attacks on our leadership team. This has been the case in the past and it is true at the airlines too, as that page must be dog-eared in the unions' playbooks.

As I have shared before, I want to reiterate that this unfortunate distraction is something to which we should pay no mind. While it is disheartening and damaging to our brand, we can't let it distract us from safety and service and so far those metrics continue to improve. The fact that our metrics are getting better in spite of these union distractions is likely due in part to the fact that the union's rhetoric is not necessarily representative of how most of our pilots actually feel about the company they work for. A few weeks ago, I shared that same feedback which Adam and I had gotten from a few Owners following our email update about negotiations. I also shared the anecdote that sales in our NetJets retail store continue to set records driven largely by pilots visiting for initial and recurrent training. So if you believe the union, our pilots don't recommend NetJets and aren't happy with the company, but still spend their own money in our store on NetJets logo items for them and their families. The 61.6% increase referenced in the subject line above is how much store sales were up YESTERDAY compared to recent daily averages. Yesterday is significant because it was driven by off-duty pilots visiting HQ yesterday – many with their families – who are in town for today's planned picketing. Oh, the irony!

Thanks for all you do and for keeping your eyes on the ball.

Pat